

**COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY**

In the Matter of)

Global NAPs, Inc.)

Petition for Arbitration Pursuant to Section 252(b))

of the Telecommunications Act of 1996 to)

Establish an Interconnection Agreement with)

Verizon New England Inc. d/b/a Verizon)

Massachusetts f/k/a New England Telephone and)

Telegraph Company d/b/a Bell Atlantic-Massachusetts)

DT.E. 02-45

**DIRECT TESTIMONY
OF PETER J. D'AMICO ON BEHALF OF
VERIZON MASSACHUSETTS**

SEPTEMBER 10, 2002

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I. WITNESS BACKGROUND AND OVERVIEW

Q. PLEASE STATE YOUR NAME, YOUR POSITION AND YOUR BUSINESS ADDRESS.

A. My name is Peter J. D'Amico. I am a Senior Product Manager in the Interconnection Product Management Group for Verizon Services Corporation. My business address is 416 7th Avenue, Pittsburgh, Pennsylvania 15219.

Q. PLEASE SUMMARIZE YOUR EDUCATIONAL BACKGROUND AND EXPERIENCE IN THE TELECOMMUNICATIONS INDUSTRY.

A. I have a Bachelor of Science in Marketing from Indiana University of Pennsylvania. I have been employed at Verizon and its predecessor companies for 18 years, in positions of increasing responsibility, and have been in product management dealing with interconnection arrangements for the last 12 years.

Q. WHAT ARE YOUR RESPONSIBILITIES IN YOUR CURRENT POSITION?

A. My responsibilities include development, implementation, and product management of interconnection services.

Q. HAVE YOU EVER TESTIFIED BEFORE?

A. Yes. I have testified in connection with various § 252 arbitrations and/or state § 271 proceedings before this Commission, and in Illinois, Pennsylvania, New Jersey, Maryland, Virginia, New York, Rhode Island, Vermont, New Hampshire, North Carolina, Maine, Ohio, Delaware and South Carolina.

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A. The purpose of my testimony is to address, on behalf of Verizon Massachusetts (“Verizon”) Issues 1, 2, 6, and 10, including the disputed contract language associated with those issues. Below is a chart of the issues and contract sections that I cover. In its Petition for Arbitration, GNAPs includes citations to various contract sections that are wholly unrelated to the issues GNAPs raised. I have reviewed GNAPs’ Petition but find no justification for GNAPs’ disputed language. Nevertheless, I also briefly discuss why the Department should order inclusion of Verizon Massachusetts’ (“Verizon”) proposal associated with the unrelated, but disputed, contract sections.

Issue No.	Statement of Issue	Disputed Contract Sections Related to Issue	Disputed Contract Sections Cited by GNAPs But Unrelated to Issue
Issues 1 & 2	1. Should Either Party be Required to Install More Than One Point of Interconnection per LATA? 2. Should Each Party be Responsible for the Costs Associated with Transporting Telecommunications Traffic to the Single POI?	Verizon’s Redline Glossary §§ 2.46, 2.67; Verizon’s Redline Interconnection Attachment §§ 2.1, 7.1. ¹	Verizon’s Redline Interconnection Attachment, §§ 2.3, 2.4, 3, 5.2.2, 5.3
Issue 6	Whether Two-Way Trunking is Available to GNAPs at GNAPs’ Request?	Verizon’s Redline Interconnection Attachment §§ 2.2.3, 2.2.4, 2.4.1-2.4.3, 2.4.10	Verizon’s Redline Glossary §§ 2.94 - 2.96; Verizon’s Interconnection Attachment §§ 2.2.1, 2.2.5, 2.3, 2.4.4, 2.4.8,

¹Contrary to GNAPs’ assertions in its Petition, GNAPs has not proposed language nor does disputed text appear in Glossary Sections 2.45 or 2.66. Verizon assumes that GNAPs’ references to these sections is an oversight and that it intended to refer to its edits for Sections 2.46 and 2.67 of the Glossary.

Issue No.	Statement of Issue	Disputed Contract Sections Related to Issue	Disputed Contract Sections Cited by GNAPs But Unrelated to Issue
			2.4.9, 2.4.11, 2.4.12, 2.4.13, 2.4.14, 2.4.16 ²
Issue 10	Should Global be Permitted to Avoid its Agreement to Permit Collocation in Accordance with Tariffed Terms?	Verizon's Redline Interconnection Attachment § 2.1.5	

Q. PLEASE SUMMARIZE YOUR TESTIMONY.

A. Verizon's proposed contract language allows GNAPs the freedom to make its own network design choices, but correctly recognizes in accordance with the Department's decisions, that GNAPs is responsible for the costs associated with those choices. Specifically, Verizon's language recognizes that to the extent GNAPs has any customers that originate traffic destined for Verizon's end users, GNAPs is responsible for either providing its own transport or for paying for transport on Verizon's network.³ It would be inefficient and inconsistent with the Department's orders to force Verizon to bear the costs of GNAPs' interconnection decisions and thereby to subsidize GNAPs' network design.

²I am further assuming that the references in GNAPs' Petition to Glossary Sections 2.93 through 2.95 were actually in reference to the changes GNAPs proposed in Glossary Sections 2.94 through 2.96.

³See *Investigation by the Department on its own motion as to the propriety of the rates and charges set forth in the following tariffs: M.D.T.E. Nos. 14 and 17, filed with the Department on August 27, 1999, to become effective on September 27, 1999, by New England Telephone Telegraph Company d/b/a Bell Atlantic - Massachusetts*, D.T.E. 98-57 at 132 (March 24, 2000) ("D.T.E. 98-57 Tariff No. 17 Order") (declining to adopt Verizon's GRIP proposal but noting that carriers are responsible for transport of their own customers' originating traffic all the way to the destination end user); *Petitions of MediaOne Telecommunications of Massachusetts, Inc. and New England Telephone and Telegraph Company d/b/a Bell Atlantic-Massachusetts for arbitration, pursuant to Section 252(b) of the Telecommunications Act of 1996 to establish an interconnection agreement*, D.T.E. 99-42/43-A at n.6, Supplemental order issued March 15, 2001 ("MediaOne Supplemental Order") (carriers are responsible for transport from mid-span meet to the terminating carrier's IP).

II. ISSUES 1 AND 2: INTERCONNECTION AND COST RESPONSIBILITY

A. THE DEPARTMENT SHOULD ADOPT VERIZON’S PROPOSED CONTRACT LANGUAGE RELATED TO ISSUES 1 AND 2.

Q. WITH RESPECT TO ISSUES 1 AND 2, DOES VERIZON DISPUTE GNAPS’ CURRENT RIGHT TO ESTABLISH A SINGLE POINT OF INTERCONNECTION (“POI”) IN A THE LATA?

A. No. Verizon does not dispute that the Department rulings permit GNAPs to establish a single POI in the LATA at specified technically feasible points within Verizon’s network. However, the parties have not yet agreed to specific contract language embodying this principle. GNAPs’ proposal to define the POI in accordance with 47 C.F.R. § 51.319(b) as shown in Verizon Redline Glossary § 2.67 does not make sense. That FCC regulation defines the Network Interface Device, which has nothing to do with how the parties interconnect.

There is also an issue of making the contract language consistent with § 251(c)(2) of the Telecommunications Act of 1996 (the “Act”) and the FCC’s *Local Competition Order* implementing the Act.⁴ In ¶ 192 of the *Local Competition Order*, the FCC held that “section 251(c)(2) obligates incumbent LECs to provide interconnection within their networks at any ‘technically feasible point.’” Verizon’s proposed contract language

⁴*Implementation of the Local Competition Provisions of the Telecommunications Act of 1996*, First Report and Order, 11 FCC Rcd 15499, Docket No. 96-98 (Aug. 8, 1996) (“*Local Competition Order*”).

1 closely tracks the Act’s language, ensuring that GNAPs interconnects within (and not
2 outside of) Verizon’s network.⁵

3
4 **Q. WITH RESPECT TO ISSUE 2, WHAT DOES VERIZON PROPOSE?**

5 A. If GNAPs chooses to locate only one POI in the LATA it must bear the financial
6 responsibility for transporting calls originated by its customers the entire distance to
7 Verizon’s end-users as contemplated by the Department’s orders.⁶ Otherwise, Verizon
8 would be unfairly forced to subsidize GNAPs’ costs of interconnection as well as its
9 network design choices.

10
11 Those choices are many. GNAPs can (and will) deploy a network that looks very
12 different from Verizon’s network in order to serve a mix of customers that is different
13 than Verizon’s. GNAPs can even choose to limit its physical interconnection with
14 Verizon to one point per LATA. GNAPs can also choose to deploy a relatively small
15 number of switches and, thus, transport traffic over relatively greater distances, which it
16 claims is more efficient. In doing so, however, it *should bear the costs* of that decision.
17 It would be unfair to allow GNAPs to deploy a network that minimizes GNAPs’
18 investment in switches while maximizing use of Verizon’s network for transport from
19 GNAPs’ limited number of switches, and then not pay for the use of Verizon’s network.

20

⁵See Verizon’s Redline Interconnection Attachment § 2.1.1 - 2.1.3.

⁶See *D.T.E. 98-57 Tariff No. 17 Order at 132* (“each carrier is responsible to transport its own traffic or to pay the costs of transporting its originating traffic all the way to the terminating end user.”).

GNAPs' proposal would have Verizon bear a portion of the cost of transporting its customers' originated calls to Verizon's end users. Specifically, it would pay only the tandem or end office reciprocal compensation rate even though it will not deliver its traffic at the applicable tandem or end office. It is no mystery why GNAPs finds this an "efficient" network architecture. The efficiency that GNAPs can and should evaluate is the cost differential between (i) making a capital investment in its own network – either in switching or transport and (ii) using Verizon's existing network without appropriate compensation. While GNAPs is free to minimize its investment in its Massachusetts network, it must compensate Verizon appropriately if it relies on Verizon's network to transport its customers' originated calls.

Q. HAS THE DEPARTMENT PREVIOUSLY ADDRESSED THIS ISSUE?

A. Yes. The Department's *D.T.E. 98-57 Tariff No. 17 Order* recognized that even though traffic is physically on one party's network, the carrier originating that traffic is financially responsible for that traffic all the way to the destination end user regardless of where the carriers interconnect.⁷ Additionally, the Department's *MediaOne Supplemental Order* addressed transport obligations where, as Verizon and GNAPs have arranged in Massachusetts, carriers interconnect using mid-span meets.⁸ Where carriers interconnect via mid-span meets, both carriers are responsible for delivering their traffic from the mid-span to the terminating carrier's appropriate tandem or end office where,

⁷*D.T.E. 98-57 Tariff No. 17 Order* at 132.

⁸ In Massachusetts, GNAPs and Verizon are currently interconnected using end-point fiber meets, a type of mid-span meet arrangement whereby Verizon uses existing fiber optic cable and builds additional new fiber optic facilities from Verizon's central office all the way to the GNAPs' central office location.

1 for traffic subject to reciprocal compensation, the applicable reciprocal compensation rate
2 would apply for the remaining transport and termination to the destination end user.⁹

3
4 **Q. COULD YOU PLEASE EXPLAIN THE MEANING OF POI, VERIZON-IP AND**
5 **GNAPS-IP AS THOSE TERMS ARE USED IN THE DRAFT**
6 **INTERCONNECTION AGREEMENT?**

7 A. Yes. The Verizon's proposed agreement from which the Parties have been negotiating
8 (the "Agreement" or "Verizon's Redlined Agreement") distinguishes physical points of
9 interconnection from the points at which the Department established reciprocal
10 compensation rates apply for transport and termination of the traffic to the destination
11 end user. The Point of Interconnection or "**POI**" is the geographic location where
12 Verizon and GNAPs physically interconnect their respective networks. This is the place
13 where the carriers' wires physically meet. The **IP** (or Interconnection Point) as it applies
14 to either party is the place in the network where either the tandem or end office reciprocal
15 compensation rate applies for transport and termination of Reciprocal Compensation
16 Traffic as such traffic is defined in the agreement. The agreement provides that the
17 Parties will interconnect pursuant to applicable law. Although I am not a lawyer, my
18 understanding is that applicable law currently permits GNAPs to establish a POI at any
19 technically feasible location GNAPs chooses within Verizon's network in a particular
20 LATA. Verizon's Redlined Agreement also provides for the establishment of each
21 Party's IPs consistent with the applicable law. Specifically, the agreement provides for

⁹MediaOne Supplemental Order at n.6.

1 establishment of IPs consistent with the Department orders in D.T.E. 98-57 and D.T.E.
2 99-42.¹⁰

3
4 **Q. WHY DOES GNAPS' PROPOSAL REQUIRE VERIZON TO BEAR COSTS**
5 **ASSOCIATED WITH TRANSPORTING GNAPS' CUSTOMERS' ORIGINATED**
6 **CALLS TO VERIZON'S END USERS?**

7 A. GNAPs proposes contract language that would permit GNAPs to interconnect with
8 Verizon's network at a mid-span meet. However, GNAPs proposes to compensate
9 Verizon for transport and termination of its traffic all the way to the destination end user
10 at the tandem reciprocal compensation rate. The tandem reciprocal compensation rate is
11 provides compensation to Verizon only for transport and termination of traffic delivered
12 at the particular tandem subtended by the end office serving the terminating end user.
13 But GNAPs is not agreeing to deliver its traffic at that applicable tandem. Pursuant to
14 GNAPs' proposal, Verizon would be required to bear the burden of all of the costs of
15 transporting traffic between the mid-span meet and the applicable tandem. That proposal
16 is contrary to the compensation framework established by the Department's orders and
17 GNAPs' obligations under the Act. If GNAPs chooses to use Verizon's network to
18 transport its traffic to the applicable Verizon tandem, it is required to compensate Verizon
19 for such use of Verizon's network.

20
21

¹⁰Section 7.1.1.1 of the Interconnection Attachment expressly states that the GNAPs-IPs will be established
in accordance with the Department's orders. Section 7.1.2 governing establishment of Verizon's IPs similarly
(continued...)

1
2 **Q. HOW DO GNAPS' CONTRACT LANGUAGE EDITS ACCOMPLISH ITS**
3 **PROPOSAL?**

4 A. GNAPS proposes to add language to §§ 2.1.2 and 7.1.1.1 of the Interconnection
5 Attachment that would establish the Verizon-IP, the GNAPS-IP and the POI all at the
6 same physical location. Thus, if GNAPS interconnects with Verizon at a mid-span meet,
7 as it has already done in Massachusetts, the POI will be at that mid-span meet. Pursuant
8 to GNAPS' language, however, the GNAPS-IP and the Verizon-IP will also be at the mid-
9 span meet. As defined by § 7.2 of the Interconnection Attachment, each parties' IP is the
10 point at which the other assesses the applicable reciprocal compensation rate for
11 Reciprocal Compensation Traffic. Thus, placing the Verizon-IP at the mid-span meet
12 provides Verizon with compensation only at the tandem rate thereby requiring Verizon to
13 bear the financial burden of transporting GNAPS' originated traffic to Verizon's tandem
14 serving the destination Verizon end-users.

15
16 **Q. IS GNAPS' PROPOSAL CONSISTENT WITH THE DEPARTMENT'S**
17 **PREVIOUS ORDERS?**

18 A. No. Although I am not a lawyer, the Department's orders on this issue are very clear.
19 When a local exchange carrier delivers its customers' originated traffic to a mid-span
20 meet, it is still financially responsible for delivering that traffic all the way to the
21 destination end-user. Thus, if GNAPS delivers its traffic to a mid-span meet, it is
22 responsible for providing compensation at the applicable tandem or end office rate *and*

establishes the Verizon-IPs in the manner acknowledged by the Department's orders.

1 for transporting that traffic to the point on Verizon's network at which the tandem or end
2 office rate applies. The point at which the tandem or end office rate applies is the
3 particular tandem or end office serving the destination end user. That point is the
4 Verizon-IP. This is precisely the issue the Department recognized in its *MediaOne*
5 *Supplemental Order* when it acknowledged that local exchange carriers are responsible
6 for delivering their traffic, either through self provisioning or leasing another carrier's
7 transport, from the mid-span meet to the terminating carrier's appropriate IP.¹¹

8
9 GNAPs' proposal wrongly declares that the Verizon-IP will be at the physical point of
10 interconnection at the mid-span meet. By doing so, GNAPs likely attempts to
11 compensate Verizon at only the applicable tandem or end office rate but not for the
12 additional transport to the applicable tandem or end office. Section 7.2 of the
13 Interconnection Attachment provides that the Parties shall compensate each other for the
14 transport and termination of Reciprocal Compensation Traffic at the applicable tandem or
15 end office rate set forth in the Pricing Attachment for traffic delivered at each Parties'
16 respective IP. Thus if GNAPs declares the Verizon-IP to be at the POI and not at the
17 tandem or end office serving the destination end user, GNAPs will have avoided its
18 financial responsibility for transporting its traffic to that tandem or end office.
19

¹¹ *MediaOne Supplemental Order* at n.6. The remote tandem is any tandem subtended by the end office of a destination end user that is not the tandem or end office located nearest to the mid-span meet. *Id.*

1 **Q. DOES GNAPS' PROPOSAL CHANGE THE COMPENSATION APPLICABLE**
2 **TO CALLS THAT WOULD OTHERWISE BE SUBJECT TO INTRASTATE**
3 **ACCESS CHARGES?**

4 A. No, and that is a point of clarification crucial to this discussion. The problems presented
5 by GNAPS' proposals for Issues 1 and 2 apply in the context of locally-rated calls as
6 determined by Verizon's local calling areas. As the Department has recognized, "traffic
7 originating or terminating outside of applicable local calling areas remains subject to
8 interstate and intrastate access charges."¹² Reciprocal compensation rates do not apply to
9 calls subject to interstate and intrastate access charges.

10
11 **Q. HAS THE FCC RULED ON ISSUES 1 AND 2?**

12 A. No. It is my understanding that AT&T, Cox Communications, and WorldCom filed
13 Petitions for Arbitration with Verizon in Virginia, and that the Virginia Commission
14 refused to exercise its jurisdiction. Thereafter, the FCC's Wireline Competition Bureau
15 (the "Bureau") consolidated the proceedings and took over the case. The Bureau released
16 its *Virginia Order* on July 17, 2002.¹³ I anticipate that GNAPS will cite the FCC's recent

¹²*Petitions of MediaOne Telecommunications of Massachusetts, Inc. and New England Telephone and Telegraph Company d/b/a Bell Atlantic-Massachusetts for arbitration, pursuant to Section 252(b) of the Telecommunications Act of 1996 to establish an interconnection agreement*, D.T.E. 99-42/43, 99-52 at 42-43, order issued August 25, 1999 ("MediaOne/Greater Media Arbitration Order").

¹³*Petition of WorldCom, Inc. Pursuant to Section 252(e)(5) of the Communications Act for Preemption of the Jurisdiction of the Virginia State Corporation Commission Regarding Interconnection Disputes with Verizon Virginia Inc. and For Expedited Arbitration*, CC Docket No. 00-218; *Petition of Cox Virginia Telecom, Inc. Pursuant to Section 252(e)(5) of the Communications Act for Preemption of the Jurisdiction of the Virginia State Corporation Commission Regarding Interconnection Disputes with Verizon Virginia Inc. and For Arbitration*, CC Docket No. 00-249; *Petition of AT&T Communications of Virginia, Inc. Pursuant to Section 252(e)(5) of the Communications Act for Preemption of the Jurisdiction of the Virginia State Corporation Commission Regarding Interconnection Disputes with Verizon Virginia Inc.*, CC Docket No. 00-251, DA 02-1731 (July 17, 2002) (citing *Notice of Proposed Rulemaking, In the Matter of Developing a Unified Inter-carrier Compensation Regime*, CC Docket No. 01-92, FCC 01-132 (rel. April 27, 2001) ("Inter-carrier Compensation NPRM") at 9634-38, 9650-52, paras. 69-77, 112-115) ("Virginia Order").

1 *Virginia Order*, where the Bureau adopted various CLECs' POI proposals rather than
2 Verizon's VGRIP proposals, in support of its arguments.¹⁴ While I am not a lawyer, I
3 note several problems with this approach. First, Verizon is not proposing that GNAPs
4 adopt Verizon's GRIP or VGRIP proposals in Massachusetts. It is my understanding that
5 the Department declined to adopt Verizon's GRIP proposal in its *MediaOne/Greater*
6 *Media Arbitration Order* and its *D.T.E. 98-57 Tariff No. 17 Order*. Thus, to the extent
7 GNAPs points to references in the *Virginia Order* to Verizon's GRIP proposal, such
8 references are irrelevant to this case. *Second*, even if the issues addressed by the *Virginia*
9 *Order* were similar to the issues in this case, the *Virginia Order* is by no means a
10 mandate from the FCC to this Commission. Instead, it is merely a decision rendered by
11 the FCC's Wireline Competition Bureau (the "Bureau") standing in the stead of the
12 Virginia State Corporation Commission.¹⁵ It is my understanding that the Bureau's
13 decision is neither entitled to the deference normally accorded to a federal agency's
14 interpretation of a statute that it administers nor in any way binding on the Department.

15
16 **Q. WHAT ARGUMENTS HAS GNAPS PRESENTED TO SUPPORT ITS**
17 **POSITION?**

- 18 A. GNAPs has generally made four arguments to support its position. They are:
19 ?? Verizon is in a better position to bear the additional transport costs caused as a
20 result of GNAPs' interconnection because it has larger economies of scale than
21 GNAPs;

¹⁴*Virginia Order* at 26-27, ¶¶51-54.

¹⁵*Id.* at 4, ¶ 1.

1 ?? The transport costs caused by GNAPs' interconnection are "*de minimis*";

2 ?? The FCC rules allow GNAPs a single POI; and

3 ?? Verizon's proposal would require GNAPs to mirror Verizon's network.

4

5 **Q. DO YOU HAVE ANY GENERAL COMMENTS WITH RESPECT TO THESE**
6 **ARGUMENTS?**

7 A. Yes. GNAPs' arguments set forth in its Petition appear to be either substantially similar
8 or identical to the arguments GNAPs has set forth in other states in response to Verizon's
9 GRIP and VGRIP proposals. As I mentioned before, however, Verizon is not proposing
10 GRIPs or VGRIPs. GNAPs appears either to have not taken the time to read Verizon's
11 Redlined Interconnection Agreement or to revise its Petition accordingly. Had GNAPs
12 framed the issues in this case appropriately it probably would not have included the
13 arguments appearing in its Petition. Nevertheless, because GNAPs did not revise its
14 Petition I would like to respond briefly to the arguments GNAPs did include.

15

16 **Q. WITH RESPECT TO GNAPS' FIRST ARGUMENT, DOES GNAPS BENEFIT**
17 **FROM ECONOMIES OF SCALE UNDER VERIZON'S PROPOSAL?**

18 A. Yes. Under Verizon's proposal, GNAPS need not construct facilities all the way to
19 Verizon's tandems and offices in order to deliver its customers' originated traffic to Verizon
20 for transport and termination to Verizon end users.¹⁶ Rather, GNAPs may continue to rely
21 on the mid-span meets the parties have already established and purchase transport on
22 Verizon's network. By using Verizon's network to transport its customers' originated

1 traffic to Verizon's tandems GNAPs will be able to take advantage of low rates reflecting
2 Verizon's economies of scale. Verizon should not, however, be required to subsidize
3 GNAPs' network decisions merely because GNAPs believes that Verizon is in a "better
4 position" to bear the additional costs.

5
6 **Q. REGARDING THE SECOND ARGUMENT, ARE TRANSPORT COSTS "*DE*
7 *MINIMIS*"?**

8 A. No. The transport costs to transport a call from a distant POI are not *de minimis*. Verizon
9 has incurred considerable cost in deploying its network and these costs are not reflected in
10 GNAPs' "*de minimis*" calculation. Moreover, GNAPs does not consider that Verizon must
11 interconnect with many CLECs. Accordingly, if other CLECs were to adopt GNAPs'
12 proposal, Verizon would be forced to transport each CLEC's originating traffic over
13 potentially great distances.

14
15 **Q. DOES VERIZON'S PROPOSAL FORCE GNAPS TO MIRROR VERIZON'S
16 NETWORK?**

17 A. No. As discussed above, GNAPs does not have to build any new facilities when it relies on
18 its single POI architecture. One of those choices includes the ability to utilize Verizon's
19 network by purchasing transport from Verizon as a transport vendor, purchasing transport
20 from a third-party, or by provisioning the transport itself through UNE IOF.

¹⁶See Verizon's Redline Interconnection Attachment § 7.1.1.1.

1 **Q. DOES VERIZON’S PROPOSAL ADVERSELY AFFECT GNAPS’ ABILITY TO**
2 **COMPETE IN THE LOCAL TELECOMMUNICATIONS MARKETPLACE?**

3 A. No. If, as has historically been the case in Massachusetts, GNAPs does not intend to serve
4 any customers that originate calls, its ability to compete is certainly not hampered by
5 including contract language that would require it to pay for transport of its customers’
6 originating calls consistent with the Department’s orders. If GNAPs does elect to serve
7 customers who originate calls, GNAPs may rely on its existing mid-span meets to deliver its
8 traffic to Verizon for transport and termination to Verizon’s end users. GNAPs need only
9 compensate Verizon in accordance with the Department’s orders for transport to Verizon’s
10 IPs located at Verizon’s tandems where the tandem reciprocal compensation rate applies.

12 **Q. DOES VERIZON’S PROPOSAL ABROGATE GNAPS’ RIGHTS UNDER THE**
13 **ACT?**

14 A. No. Verizon’s proposal is fully consistent with the Act because it permits GNAPs to
15 designate its POI anywhere in the LATA while it fairly compensates Verizon for the costs
16 that Verizon incurs when GNAPs chooses to implement a method of interconnection that
17 minimizes its own switching investment while at the same time maximizing use of
18 Verizon’s network for transport.

20 **B. THE DEPARTMENT SHOULD ADOPT VERIZON’S PROPOSED**
21 **CONTRACT LANGUAGE CITED BY GNAPS BUT UNRELATED TO**
22 **ISSUES 1 AND 2.**

23 **Q. GNAPS REDLINES OTHER SECTIONS OF THE INTERCONNECTION**
24 **ATTACHMENT AND IN DOING SO, CLAIMS THAT THE DEPARTMENT**

**CAN RESOLVE ISSUES 1 AND 2 ON A POLICY LEVEL AND IMPLEMENT
THE CHANGES THAT IT HAS MADE TO VERIZON’S INTERCONNECTION
AGREEMENT. DO YOU AGREE?**

A. No. Although the resolution of Issues 1 and 2 will affect several of the provisions of the Interconnection Attachment, some of the changes to the Verizon contract that GNAPs has made raise discrete additional issues that are not directly related to Issues 1 and 2.¹⁷ GNAPs has not cited in its Petition its reasons why it made changes to the Verizon’s proposed agreement. Therefore, I cannot address any specific concerns GNAPs may have. Nevertheless, I can highlight for the Department why Verizon’s provisions are necessary for the efficient operation of its network. I address Verizon Redline Interconnection Attachment §§ 3, 5.2.2, and 5.3 below, and I address Verizon Redline Interconnection §§ 2.3 and 2.4 in connection with Issue 6 below.

**1. Alternative Interconnection Arrangements (Verizon Redline
Interconnection Attachment §§ 3 *et seq.*)**

**Q. GNAPS HAS INCLUDED DETAILED TERMS AND CONDITIONS FOR AN
“END POINT FIBER MEET ARRANGEMENT.” WHAT IS AN END POINT
FIBER MEET?**

A. An end point fiber meet is a type of fiber-optic mid-span meet. It is an alternate form of local interconnection architecture where Verizon and GNAPs generally place their own terminating electronics in their respective central offices. In an end point fiber meet, Verizon uses existing fiber optic cable and builds additional new fiber optic facilities from Verizon’s central office all the way to the CLEC’s central office location.

1
2 **Q. IS VERIZON OPPOSED TO AN END POINT FIBER MEET ARRANGEMENT?**

3 A. No. An end point fiber meet arrangement is a type of mid-span fiber meet arrangement
4 between the two companies. Verizon is not opposed to a mid-span fiber meet arrangement,
5 provided both parties reach mutual agreement on the technical and operational details
6 involved with a specific end point fiber meet arrangement at a defined location, including
7 the associated compensation issues.
8

9 **Q. DO YOU AGREE WITH THE EXTENSIVE MODIFICATIONS THAT GNAPS**
10 **HAS MADE TO THIS SECTION?**

11 A. No. GNAPS has added new and substantial material to this section that would permit it to
12 unilaterally decide where, when, and how a mid-span fiber meet arrangement will be used
13 by the parties. GNAPS' modifications also include a number of detailed terms and
14 conditions for this arrangement that should be worked out by the parties on a case-by-case
15 basis. It is therefore not appropriate to include them in the interconnection agreement.
16

17 **Q. PLEASE EXPLAIN WHY VERIZON IS OPPOSED TO SUCH DETAIL.**

18 A. GNAPS' changes include requirements for specific vendor products, equipment
19 configuration, and operational and maintenance procedures that may not be technically
20 feasible under all circumstances in Verizon's network because they may vary based on the
21 particular circumstances associated with each specific mid-span fiber meet. GNAPS'

¹⁷See Verizon Redline Interconnection Attachment §§ 2.3, 2.4, 3, 5.2.2, and 5.3.

1 proposal would impermissibly allow it to determine how much Verizon must build out its
2 facilities, including deploying new facilities.

3
4 **Q. HAS THE FCC ADDRESSED THE USE OF AN END POINT FIBER MEET AS**
5 **AN ALTERNATIVE FORM OF INTERCONNECTION?**

6 A. The FCC has addressed the use of fiber optic mid-span meets as an alternative form of
7 interconnection. In its *Local Competition Order*, the FCC determined that because each
8 carrier gains value from the mid-span meet arrangement “each party should bear a
9 reasonable portion of the economic costs of the arrangement.”¹⁸ The FCC also held that the
10 parties should determine the appropriate distance that an ILEC would be required to “build
11 out facilities” for the mid-span meet.¹⁹ Similarly, an end point fiber meet is an arrangement
12 in which each carrier should derive a benefit and there should be some reasonable limitation
13 on the facilities that the ILEC would have to build. A mid-span meet requires mutual
14 agreement on a number of site-specific technical, operational, and compensation issues.

15
16 **Q. WHY IS MUTUAL AGREEMENT A CRITICAL REQUIREMENT FOR A MID-**
17 **SPAN FIBER MEET ARRANGEMENT?**

18 A. Mutual agreement is critical because mid-span meets require a high degree of joint
19 engineering, provisioning, maintenance and utilization. This type of interconnection is also
20 based on location, size, and type of facilities available and to be installed, as well as the
21 potential cost sharing for any new installations. In addition, the parties must reach some

¹⁸*Local Competition Order* at ¶ 553.

¹⁹*Id.*

1 understanding on traffic forecasts and make sure that compatible equipment and electronics
2 are being used. The resolution of these issues is normally dependent upon the specific site
3 selected for the mid-span fiber meet. Thus, prior to provisioning a mid-span fiber meet, the
4 parties should execute a memorandum of understanding to memorialize the terms,
5 conditions, technical and operational details, and rates of the mid-span fiber meet
6 arrangement at a specific location. Once the memorandum of understanding is completed
7 and signed, it becomes an addendum to the interconnection contract.

8
9 **Q. HAVE VERIZON AND GNAPS DEPLOYED AN END POINT FIBER MEET BY**
10 **EXECUTING A MEMORANDUM OF UNDERSTANDING?**

11 A. Yes. Verizon and GNAPs have successfully used memoranda of understanding to
12 implement these types of arrangements in Massachusetts and other jurisdictions. It appears
13 that GNAPs' contract proposal is GNAPs' modification of one of those memoranda. A
14 memorandum of understanding, however, may change depending upon the specific end
15 point fiber meet that the parties plan to use and deploy. For instance, the electronics and
16 software change over time but the GNAPs' proposal would bind the parties to equipment
17 that may become obsolete. Moreover, the type of equipment and technology used may vary
18 depending on where the parties plan to deploy this type of alternative interconnection
19 arrangement. The memorandum of understanding provides the parties the flexibility that
20 these arrangements require; GNAPs' proposal does not.

21
22 **Q. HAVE EITHER THE NEW YORK OR CALIFORNIA COMMISSIONS**
23 **ADDRESSED THIS ISSUE?**

1 A. Yes. As I explain above, GNAPs has not provided Verizon or this Department with reasons
2 why it has made numerous changes to the Verizon's proposed agreement – including
3 changes reflected in Verizon's Redline Interconnection Attachment § 3. Accordingly, in the
4 *New York Verizon/GNAPs Order*, the New York Commission stated as follows:

5 As a threshold matter, purported issues identified only by redlining in a draft
6 contract will not be considered issues properly placed in arbitration pursuant to §
7 252(b)(2) of the 1996 Act. To meet that standard, a party petitioning for arbitration
8 must provide the State commission all relevant documentation concerning the
9 unresolved issues, including the position of each of the parties with respect to those
10 issues. Accordingly, only issues briefed or argued on the record will be addressed in
11 this order.²⁰
12

13 For these reasons, the New York Commission rejected GNAPs' changes to the Verizon's
14 proposed agreement because GNAPs did not properly present or explain them. The
15 California Commission, however, did rule on GNAPs' edits to Verizon Redline
16 Interconnection § 3, stating simply "Interconnection § 3: Verizon's proposed language is
17 adopted. It is consistent with the FCC's discussion in ¶ 553 of the Local Competition
18 Order."²¹

19 **2. Trunk Group Connections, Ordering, Switching System Hierarchy**
20 **And Trunking Requirements (Verizon Redline Interconnection**
21 **Attachment §§ 5.2.2, 5.3).**

22 **Q. DO GNAPS' PROPOSED CHANGES TO SECTIONS 5.2.2 AND 5.3 RELATE TO**
23 **ISSUES 1 AND 2?**

24 A. No. In § 5.2.2, GNAPs deleted a section that deals with the ordering of transport facilities.
25 These facilities are used for interconnection trunks. With trunking interconnection, the

²⁰*New York Verizon/GNAPs Arbitration Order* at 4.

²¹*California Verizon/GNAPs Arbitration Order* at 34.

1 interconnection trunks and transport facilities used for the trunks are ordered separately.

2 The process described in § 5.2.2 is currently used by CLECs and IXC's operating in
3 Massachusetts.

4
5 Verizon also does not understand the deletions and additions GNAPs made to § 5.3 –
6 Switching System Hierarchy and Trunking Requirements. GNAPs' modifications to this
7 section conflict with the Local Exchange Routing Guide ("LERG"), which is the standard
8 by which carriers route traffic. The LERG is used by all carriers, ILECs, CLECs, and
9 IXC's, to route and deliver terminating traffic. GNAPs' alterations do not address
10 switching system hierarchy and traffic routing that the parties must rely upon to properly
11 route traffic.

12 **Q. HAS EITHER THE NEW YORK OR CALIFORNIA COMMISSION ADDRESSED**
13 **THIS ISSUE?**

14 A. Yes. Since GNAPs did not properly present or explain its proposed changes to Verizon
15 Redline Interconnection Attachment §§ 5.2.2 and 5.3, the New York Commission
16 rejected them as unripe for consideration.²² Furthermore, the California Commission
17 accepted Verizon's proposed § 5.3, stating "As Verizon says, § 5.3 does not affect
18 GNAPs' ability to select the POI; it simply lists Verizon's switching hierarchy."²³

²²See *New York Verizon/GNAPs Arbitration Order* at 4.

²³See *California Verizon/GNAPs Arbitration Order* at 34.

III. ISSUE 6: REACHING MUTUAL AGREEMENT ON TWO-WAY TRUNKS

A. THE DEPARTMENT SHOULD ADOPT VERIZON'S PROPOSED CONTRACT LANGUAGE RELATED TO ISSUE 6.

Q. IN ITS PETITION, GNAPS CLAIMS THAT VERIZON BELIEVES THAT IT SHOULD BE ABLE TO REFUSE GNAPS' REQUEST TO USE TWO-WAY TRUNKING. IS THAT TRUE?

A. No. Contrary to GNAPs' claim, Verizon is not opposed to offering GNAPs two-way trunks. GNAPs may decide if one-way or two-way trunk groups may be used between a GNAPs switch and a Verizon tandem switch, or a GNAPs switch and a Verizon end office switch. The parties must, however agree on the operational responsibilities and design parameters that need to be maintained by *both* parties for two-way trunking architecture and reflect that understanding in the interconnection agreement.

Q. WHY IS IT IMPORTANT TO REACH MUTUAL AGREEMENT ON THE OPERATION OF TWO-WAY TRUNKS?

A. Network integrity depends on such agreement. Imagine if there were no traffic laws when driving an automobile. There would be no rules as to which side of the road to drive on or at what speed. For the same reason, there must be agreement on the operational responsibilities and design parameters applicable to two-way trunking over the same trunks. Because two carriers are sending traffic over the same trunk from the two ends, the actions of one affect the other – such as if one sends an unannounced increase in traffic that causes blocking of the other carrier's traffic. Verizon currently uses two-way trunking with several CLECs in Massachusetts, and they have agreed to the same terms and conditions for two-

1 way trunking that Massachusetts has proposed to GNAPs. GNAPs has offered no
2 explanation as to why it should be different on this issue from the other CLECs in
3 Massachusetts.

4
5 **Q. ARE THERE OTHER PROBLEMS WITH GNAPS' PROPOSAL WITH**
6 **RESPECT TO TWO-WAY TRUNKING?**

7 A. Yes. In § 2.4.2, GNAPs has deleted the requirement that both parties agree on the initial
8 number of two-way trunks that the parties will use. Instead, GNAPs proposes to dictate to
9 Verizon how many trunks and trunk groups will be deployed between the parties. Because
10 two-way trunks carry both Verizon's traffic and GNAPs' traffic on the same trunk group,
11 this affects the network performance and operation on each party's network. Thus, it is
12 reasonable that GNAPs and Verizon should mutually agree on this initial arrangement.
13 Verizon has reached these agreements with a number of other carriers in Massachusetts.

14
15 **Q. WHAT OTHER PROBLEMS DO GNAPS' EDITS CREATE?**

16 A. Some of GNAPs' edits make no sense. For instance, in § 2.2.4, GNAPs added the phrase
17 "originating party" to § 2.2.4(b). When the parties use two-way trunk groups, both GNAPs
18 and Verizon "originate" and "terminate" traffic. Thus, inserting "originating party" does not
19 describe the parties with any specificity.

20
21 **Q. HAVE OTHER STATE COMMISSIONS RESOLVED THIS ISSUE BETWEEN**
22 **VERIZON AND GNAPS AS WELL?**

1 A. Yes. The New York, California, and Ohio Commissions adopted Verizon’s proposed
2 language related to Issue 6.²⁴

3
4 **B. THE DEPARTMENT SHOULD ADOPT VERIZON’S PROPOSED**
5 **CONTRACT LANGUAGE CITED BY GNAPS BUT UNRELATED**
6 **TO ISSUE 6.**

7 **Q. GNAPS REDLINES OTHER SECTIONS OF THE INTERCONNECTION**
8 **ATTACHMENT AND IN DOING SO, CLAIMS THAT THE DEPARTMENT**
9 **CAN RESOLVE ISSUE 6 ON A POLICY LEVEL AND IMPLEMENT THE**
10 **CHANGES THAT IT HAS MADE TO VERIZON’S INTERCONNECTION**
11 **AGREEMENT. DO YOU AGREE?**

12 A. No. Although the resolution of Issue 6 will affect several of the provisions of the
13 interconnection attachment, some of the changes to the Verizon contract that GNAPs has
14 made raise discrete additional issues that are not directly related to Issue 6.²⁵ GNAPs has
15 not provided Verizon or this Department with GNAPs’ reasons why it made changes to the
16 Verizon agreement in its Petition. Therefore, I cannot address any specific concerns that
17 GNAPs may have. Nevertheless, I can highlight for the Department why Verizon’s
18 provisions are necessary for the efficient operation of its network.

²⁴See *New York Verizon/GNAPs Arbitration Order* at 16; *California Verizon/GNAPs Arbitration Order* at 81-83; *In the Matter of the Petition of Global NAPs Inc. for Arbitration Pursuant to Section 252(b) Of the Telecommunications Act of 1996 to Establish an Interconnection Agreement with Verizon North Inc.*, Public Utilities Commission of Ohio Case No. 02-876-TP-ARB, Arbitration Award (Sep. 5, 2002) at 11 (adopting arbitration panel’s recommendation) (“*Ohio Arbitration Award*”) (attached as Exhibit A).

²⁵See Verizon Redline Glossary §§ 2.94 through 2.96; Verizon Redline Interconnection Attachment §§ 2.2.1, 2.2.4, 2.3, 2.4.4, 2.4.8, 2.4.9, 2.4.11, 2.4.12, 2.4.13, 2.4.14, and 2.4.16.

1 **1. Definitions of Traffic Factor 1, Traffic Factor 2, and Trunk Side**
2 **(Verizon Redline Glossary §§ 2.94, 2.95, 2.96).**

3 **Q. GNAPS PROPOSED TO CHANGE CERTAIN DEFINITIONS IN VERIZON’S**
4 **GLOSSARY SECTION. DO THESE DEFINITIONS RELATE TO TWO-WAY**
5 **TRUNKS?**

6 A. No. Verizon witness William Munsell discusses the changes GNAPs’ made to Verizon
7 Redline Glossary §§ 2.94 (Traffic Factor 1) and 2.95 (Traffic Factor 2). These definitions,
8 however, have nothing to do with how the parties deploy two-way trunks. With respect to
9 the changes GNAPs made to Verizon Redline Glossary § 2.96 (“Trunk Side”), even after
10 months of negotiation and arbitrations in several states, Verizon does not know what
11 GNAPs is attempting to accomplish with its edits or why GNAPs believes Verizon’s
12 definition is inappropriate. As with the Traffic Factor definitions, the definition of “Trunk
13 Side” has little to do with the deployment of two-way trunks.

14
15 **Q. DID THE NEW YORK AND CALIFORNIA COMMISSIONS ALSO ADDRESS**
16 **THESE CHANGES MADE BY GNAPS?**

17 A. Yes. Since GNAPs did not properly present or explain its proposed changes to Verizon
18 Redline Glossary §§ 2.94 and 2.95, the New York Commission rejected them as unripe for
19 consideration.²⁶ The California Commission did directly address GNAPs’ proposed
20 changes, however, and ruled for Verizon:

21 Verizon’s proposed language is adopted. GNAPs does not explain the reason for its
22 proposed language, and Verizon terms GNAPs’ language vague and unworkable.
23 Verizon indicates that the terms “Traffic Factor 1” and “Traffic Factor 2” are used to

²⁶*New York Verizon/GNAPs Arbitration Order at 4.*

1 separate types of traffic exchanges via interconnection trunks for purposes of rating
2 and billing. It makes sense to include those definitions in the ICA.²⁷
3

4 **Q. WHAT ABOUT GNAPS' PROPOSED CHANGES TO VERIZON REDLINE**
5 **GLOSSARY § 2.96?**

6 A. Both the New York and California Commissions addressed GNAPS' proposed changes to
7 this term in their respective Verizon/GNAPS arbitrations. Since GNAPS did not properly
8 present or explain its proposed changes to Verizon Redline Glossary § 2.96, the New York
9 Commission again rejected them as unripe for consideration.²⁸ The California Commission
10 did directly address GNAPS' proposed changes, however, and ruled in Verizon's favor,
11 stating "Verizon's more detailed definition is adopted. It is clearer than GNAPS'
12 definition."²⁹

13 **2. Trunk Types (Verizon Redline Interconnection Attachment §§ 2.2.1.1,**
14 **2.2.1.2, 2.2.5).**

15 **Q. DO GNAPS' EDITS TO §§ 2.2.1.1 AND 2.2.1.2 HAVE ANY IMPACT ON GNAPS'**
16 **ABILITY TO DEPLOY TWO-WAY TRUNKS?**

17 A. No. Sections 2.2.1.1 and 2.2.1.2 of the Verizon Redline Interconnection Attachment
18 describe the types of traffic that may be transmitted and routed over interconnection trunks
19 and access toll connecting trunks respectively. As written by Verizon, § 2.2.1.1 establishes
20 that Interconnection Trunks are to be used for Reciprocal Compensation Traffic, translated
21 LEC IntraLATA toll free service access code traffic, IntraLATA Toll Traffic (between

²⁷ *California Verizon/GNAPS Arbitration Order* at 81.

²⁸ *New York Verizon/GNAPS Arbitration Order* at 4.

²⁹ *California Verizon/GNAPS Arbitration Order* at 32. Verizon Redline Glossary § 2.96 in Massachusetts is identical to Glossary § 2.95 in California.

Verizon and GNAPs' respective customers), Tandem Transit Traffic, and Measured Internet Traffic. GNAPs' language would allow other types of traffic to be carried on Interconnection Trunks *based on whether the carrier of the traffic imposes a charge for the traffic*. However, the imposition of charges simply is not the defining criteria for whether traffic is Exchange Access traffic or not. This same problem exists with GNAPs' edits to § 2.2.1.2, where GNAPs' changes would limit Exchange Access traffic to that traffic for which the carrier charges. Once again, the imposition of charges is not the defining criteria. GNAPs' erroneous edits, therefore, should be rejected.

Q. WHY DOES VERIZON DISAGREE WITH THE CHANGES GNAPS MADE TO § 2.2.5?

A. GNAPs' changes to § 2.2.5 eliminate engineering design requirements that ensure network reliability for the operation of Verizon's common trunk groups and Verizon's tandem switches, and avoids the premature exhaust of Verizon's tandem switches. If a tandem exhausts because of excessive CLEC traffic, it will compromise Verizon's ability to manage its network to the detriment of Verizon's retail and wholesale customers. This is a reasonable limitation as evidenced by Verizon's agreements with other carriers in Massachusetts.

Q. DO THESE PROVISIONS AFFECT GNAPS' ABILITY TO USE TWO-WAY TRUNKS?

A. No. These provisions are independent of the deployment of two way trunks.

1 **Q. DID THE NEW YORK AND CALIFORNIA COMMISSIONS ALSO ADDRESS**
2 **THESE CHANGES MADE BY GNAPS?**

3 A. Yes. Again, since GNAPs did not properly present or explain its proposed changes to
4 Verizon Redline Interconnection Attachment §§ 2.2.1.1, 2.2.1.2, or 2.2.5, the New York
5 Commission rejected them as unripe for consideration.³⁰ In its discussion of Issues 1 and 2,
6 the California Commission likewise rejected GNAPs' changes to Interconnection
7 Attachment §§ 2.2.1.1 and 2.2.1.2, stating 'Interconnection §§ 2.2.1.1, 2.2.1.2: Verizon's
8 proposed language is adopted. Toll traffic does not have to be billed as a separate charge on
9 customers' bills.'³¹ The California Commission also rejected GNAPs' changes to
10 Interconnection Attachment § 2.2.5, holding:

11 Interconnection § 2.2.5: In its Comments on the DAR, [Draft Arbitration Report]
12 Verizon states that setting a limit on the number of tandem interconnection trunks
13 will ensure network reliability and avoid premature exhaust of Verizon's tandem
14 switches. Verizon indicates that it has this arrangement with other CLECs in
15 California. Verizon's arguments are compelling so Verizon's position is adopted.³²
16

³⁰*New York Verizon/GNAPs Arbitration Order* at 4.

³¹*California Verizon/GNAP Arbitration Order* at 33.

³²*Id.*

1 **3. One-Way Trunks (Verizon Redline Interconnection Attachment**
2 **§§ 2.3).**

3 **Q. GNAPS SUBMITTED SEVERAL REDLINE CHANGES TO VERIZON’S**
4 **PROPOSAL FOR THE DEPLOYMENT OF ONE-WAY TRUNKS. IN ITS**
5 **PETITION, DID IT OFFER ANY REASONS TO SUPPORT THOSE CHANGES?**

6 A. No. Even though GNAPS maintains that it would rather use two-way trunks instead of one-
7 way trunks, it nevertheless modified Verizon’s one-way trunking language without
8 providing any justification in its Petition for why it altered these provisions.

9
10 **Q. WOULD YOU PLEASE COMMENT ON SOME OF THE CHANGES GNAPS**
11 **MADE TO THOSE SECTIONS?**

12 A. Yes. GNAPS’ edits to trunk ordering responsibilities would appear to be inconsistent with
13 its changes in the two-way trunking section and inconsistent with how Verizon currently
14 handles one-way trunking with some other CLECs in Massachusetts. GNAPS also struck
15 § 2.3.1.3.1, which deals with disconnecting underutilized trunks. As discussed below,
16 GNAPS’ elimination of this section would provide GNAPS a more expensive form of
17 interconnection with grades of service better than what Verizon provides itself and other
18 CLECs.

1 **4. Forecasts (Verizon Redline Interconnection Attachment § 2.4.4).**

2 **Q. WOULD YOU PLEASE DESCRIBE WHAT CONCERNS THESE CHANGES**
3 **CREATE FOR VERIZON?**

4 A. Yes. Judging from the changes made to Verizon Redline Interconnection Attachment
5 § 2.4.4, it appears that GNAPs wants to use trunk forecasts as a means to reserve facilities
6 without paying for those facilities through firm service orders. In addition, GNAPs would
7 require Verizon to provide ongoing trunk forecasts. This is contrary to the existing GNAPs
8 and Verizon interconnection agreements in effect in other jurisdictions. In these
9 agreements, GNAPs has agreed to provide Verizon with semi-annual forecasts of both
10 inbound and outbound trunks.

11
12 **Q. IS GNAPS IN A BETTER POSITION THAN VERIZON TO FORECAST BOTH**
13 **INBOUND AND OUTBOUND TRAFFIC?**

14 A. Yes. GNAPs is the only party that knows to whom it will market its services. This
15 information has – by far – the greatest influence on the need for interconnection trunks that
16 are required to carry calls from Verizon’s network to GNAPs’ network. For instance,
17 GNAPs targets customers who primarily receive calls, like Internet Service Providers
18 (“ISPs”), and GNAPs knows that most of those calls will originate from Verizon’s network.
19 Thus, only GNAPs knows how many trunks will be required for the traffic that originates on
20 Verizon’s network.

1 **Q. HAS THE DEPARTMENT PREVIOUSLY CONSIDERED AND APPROVED**
2 **LANGUAGE WITH RESPECT TO TRUNK FORECASTS SIMILAR TO THAT**
3 **WHICH VERIZON PROPOSES HERE?**

4 A. Yes. In the MediaOne/Greater Media Arbitration, the Department found that MediaOne
5 should provide Bell Atlantic with trunk forecasts based on reasonable engineering criteria,
6 to be updated no less than on a quarterly basis.³³ The language Verizon proposes in
7 Interconnection Attachment § 2.4.4 is even less constraining in that it requests only good
8 faith forecasts on a semi-annual basis.

10 **5. Operational Responsibilities And Design Parameters For Two -Way**
11 **Trunking (Verizon Redline Interconnection Attachment, §§ 2.4.8,**
12 **2.4.9, 2.4.13, 2.4.14).**

13 **Q. HAS GNAPS PROPOSED ANY CHANGES TO THE GRADE OF SERVICE**
14 **THAT VERIZON MUST PROVIDE ON TWO-WAY INTERCONNECTION**
15 **TRUNKS?**

16 A. Yes. GNAPs' changes to these sections would collectively and individually hold Verizon to
17 unreasonably stringent trunking operational responsibilities and parameters. For example,
18 GNAPs changes § 2.4.8 to require a better grade of service than Verizon provides to itself or
19 other CLECs.

³³MediaOne/Greater Media Arbitration Order at 87-89

1 **Q. WOULD YOU PLEASE DESCRIBE HOW THESE CHANGES IMPOSE A MORE**
2 **STRINGENT STANDARD ON VERIZON?**

3 A. Yes. In § 2.4.13, GNAPs would hold Verizon accountable for performance measures and
4 penalties for blocking on trunk groups over which GNAPs has primary engineering
5 responsibility. GNAPs, and not Verizon, is primarily responsible for engineering two-way
6 trunk groups between the parties by submitting access service requests (“ASRs”), to
7 Verizon. Because GNAPs has the responsibility, it would be unfair to hold Verizon
8 accountable for performance standards.
9

10 **Q. HOW WOULD GNAPS’ CHANGES TO SECTION 2.4.14 AFFECT VERIZON?**

11 A. Upon GNAPs’ written notice, Verizon would have to withdraw traffic from two-way trunks
12 and install one-way interconnection trunks for GNAPs in 30 days. This is an unreasonable
13 timeframe. In that 30-day timeframe, Verizon would have to ensure it has adequate
14 facilities in place, disconnect the parties’ two-way trunks, and then install GNAPs’ one-way
15 trunks, in addition to other engineering activities. Verizon’s proposed three-month period is
16 a reasonable timeframe to complete GNAPs’ conversion from two-way trunking to one-way
17 trunking.
18

19 **Q. DID THE NEW YORK AND CALIFORNIA COMMISSIONS ALSO ADDRESS**
20 **THESE CHANGES MADE BY GNAPS?**

21 A. Yes. And again, since GNAPs did not properly present or explain its proposed changes to
22 Verizon Redline Interconnection Attachment §§ 2.4.8, 2.4.9, 2.4.13, or 2.4.14, the New

1 York Commission rejected them as unripe for consideration.³⁴ The California Commission
2 ruled in Verizon's favor with regard to all of these changes, stating as follows:

3 Interconnection §§ 2.4.8, 2.4.9: Verizon's proposed language is adopted. Under the
4 terms of the Iowa Utilities Board v. FCC, Verizon is not required to provide GNAPs
5 a better grade of service than what Verizon provides for itself or other CLECs.

6 * * *

7
8
9 Interconnection § 2.4.13: In its comments on the DAR, Verizon asserts that it would
10 be unfair to hold Verizon accountable for performance measures and penalties for
11 two-way trunks because Verizon is not primarily responsible for the engineering of
12 the trunk groups between the parties. GNAPs maintains responsibility for the trunks
13 by issuing ASRs. Moreover, there are no trunk blocking performance measures for
14 two-way CLEC/Verizon trunks in California. Verizon's position is adopted.
15 Verizon has made a convincing argument that it should not be penalized for
16 something that is outside of its control.

17 ***

18
19
20 Interconnection § 2.4.14: Verizon's proposed language is adopted. GNAPs is not
21 entitled to an expedited time period for replacing two-way interconnection trunk
22 groups with one-way interconnection trunk groups.³⁵
23

24 **6. Monitoring Two-Way Interconnection Groups (Verizon Redline**
25 **Interconnection Attachment § 2.4.11).**

26 **Q. WOULD YOU PLEASE ELABORATE ON THE CHANGES GNAPS MADE TO**
27 **INTERCONNECTION ATTACHMENT SECTION 2.4.11?**

28 A. Yes. GNAPs has inserted the terms "originating party" and "terminating party." Inserting
29 these terms into the two-way trunking section makes no sense. On a two-way trunk, both
30 parties originate and terminate traffic. Thus, in § 2.4.11, as modified by GNAPs, both
31 parties would submit access service requests ("ASRs") to one another for the same trunk

³⁴New York Verizon/GNAPs Arbitration Order at 4.

³⁵California Verizon/GNAPs Arbitration Order at 81-83.

1 group. These changes create uncertainty and are vague and ambiguous. They are also
2 inconsistent with GNAPs' redline modifications to §§ 2.4.2 and 2.4.10. In those sections,
3 GNAPs is the only party that would submit ASRs.
4

5 **7. Underutilized Trunk Groups (Verizon Redline Interconnection**
6 **Attachment § 2.4.12).**

7 **Q. HOW DO GNAPS' MODIFICATIONS AFFECT THIS PROVISION?**

8 A. GNAPs has eliminated the provision that would enable Verizon to disconnect some
9 underutilized trunks from trunk groups. Without the right to disconnect some excess trunks
10 from trunk groups when they are significantly underutilized, Verizon will not be able to
11 manage its network in an efficient manner. This could have a negative impact on the quality
12 of service provided by Verizon to all other carriers if unneeded trunks are left in service for
13 one carrier. By not permitting Verizon to disconnect underutilized trunks, GNAPs would
14 have a more expensive form of interconnection with a better grade of service than Verizon
15 provides to itself and other CLECs.
16

17 **Q. DID THE NEW YORK AND CALIFORNIA COMMISSIONS ADDRESS THESE**
18 **CHANGES MADE BY GNAPS AS WELL?**

19 A. Yes. And again, since GNAPs did not properly present or explain its proposed changes to
20 Verizon Redline Interconnection Attachment § 2.4.12, the New York Commission rejected

1 them as unripe for consideration.³⁶ The California Commission also ruled in Verizon's
2 favor, stating as follows:

3 Interconnection § 2.4.12: Verizon's proposed language is adopted. As Verizon
4 states, when trunk groups are significantly underutilized, Verizon only disconnects
5 enough excess trunks to ensure that Verizon will be able to manage its network in an
6 efficient manner. This will allow those underutilized trunks to be used by Verizon
7 or other carriers.³⁷
8

9 **8. Appropriate Charges For Two-Way Trunks (Verizon Redline**
10 **Interconnection Attachment § 2.4.16).**

11 **Q. GNAPS MADE SIGNIFICANT ALTERATIONS TO VERIZON'S PROPOSED**
12 **SECTION 2.4.16 WITHOUT EXPLANATION. WOULD YOU PLEASE**
13 **DESCRIBE WHAT RECURRING CHARGES ARE APPROPRIATE FOR TWO-**
14 **WAY TRUNKS?**

15 A. Yes. For recurring charges, in § 2.4.16, Verizon proposes that the parties calculate a
16 proportionate percentage of use, or PPU. The PPU is calculated using the total number of
17 minutes each party sends over a facility on which each two-way interconnection trunk rides.
18 Based on the PPU, Verizon will bill and GNAPs should pay Verizon a monthly recurring
19 charge equal to the percentage of use for that facility.

20
21 Verizon proposes to bill GNAPs a monthly recurring charge for these facilities because
22 GNAPs has placed an order for these facilities with Verizon and this is a fair way of
23 allocating the cost between the Parties. In addition, Verizon does not charge GNAPs for

³⁶*New York Verizon/GNAPs Arbitration Order* at 4.

³⁷*California Verizon/GNAPs Arbitration Order* at 82.

1 any portion of that facility beyond the Verizon IP. For example, GNAPs issues an ASR
2 to Verizon to install a two-way trunk between the parties. Further assume that Verizon
3 incurs \$1000 in monthly recurring charges to maintain the facility between Verizon's IP
4 and the GNAPs' IP and that 5% of the traffic over this trunk, or the PPU, is originated by
5 GNAPs to Verizon. Thus, Verizon would charge GNAPs \$50 in monthly recurring
6 charges because the PPU indicates that GNAPs is only using 5% of the two-way
7 interconnection trunk it has ordered from Verizon. Finally, Verizon only proposes to use
8 a PPU of 50% until the parties can calculate PPU based on actual traffic data.
9

10 **Q. WOULD YOU ALSO PLEASE DESCRIBE WHAT NON-RECURRING**
11 **CHARGES ARE APPROPRIATE FOR THE TWO-WAY INTERCONNECTION**
12 **TRUNKS THAT GNAPS ORDERS FROM VERIZON?**

13 A. Yes. For non-recurring charges on the two-way trunks GNAPs orders from Verizon,
14 Verizon proposes that GNAPs should be responsible for half of Verizon's non-recurring
15 charges for the portion of the facilities that those trunks ride on the Verizon side of the
16 GNAPs' IP. Because GNAPs orders the two-way trunk from Verizon and Verizon must
17 then install this trunk, Verizon incurs non-recurring costs for the work it performs as the
18 supplier of this service. Nevertheless, Verizon only charges for GNAPs half of its non-
19 recurring costs because Verizon not only supplies the service and installs the trunk but uses
20 the two-way trunk with GNAPs. This practice properly ensures that Verizon is
21 compensated for the work that Verizon does on behalf of GNAPs but recognizes Verizon's
22 use of the facility.
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IV. SUPPLEMENTAL ISSUE 10: RECIPROCAL COLLOCATION

3

**Q. HAS GNAPS AGREED TO MAKE COLLOCATION AVAILABLE TO VERIZON
AT GNAPS' FACILITIES?**

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A. Yes. In § 2 of the Collocation Attachment to the agreement, GNAPs has agreed to provide
collocation to Verizon at GNAPs' facilities for the purpose of facilitating Verizon's
interconnection with facilities or services of GNAPs. GNAPs has agreed to provide
collocation on a non-discriminatory basis in accordance with GNAPs' tariffs, or in the
absence of such tariffs, on terms, conditions and prices to be negotiated by the Parties.

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1 **Q. HAS GNAPS PROPOSED LANGUAGE CONTRARY TO ITS AGREEMENT TO**
2 **PROVIDE COLLOCATION TO VERIZON?**

3 A. Yes. In §§ 2.1.5.1 of the Interconnection Attachment the Parties have agreed that
4 Verizon may interconnect with GNAPs at a collocation arrangement Verizon has
5 established at the GNAPs-IP pursuant to the Collocation Attachment. GNAPs seeks
6 additional language however that would subject its agreement to allow Verizon to
7 interconnect to GNAPs' "sole discretion". Such language is contrary to its agreement in
8 the Collocation Attachment to provide collocation to Verizon and to do so on
9 nondiscriminatory terms. The result is an interconnection agreement that seemingly
10 contains contradictory terms. If GNAPs is going to agree to provide collocation to
11 Verizon for purposes of interconnection with GNAPs' network in one portion of the
12 Agreement, seemingly contradictory language should not be included in another portion
13 of the agreement.

15 **Q. WHY SHOULD THE DEPARTMENT AS A MATTER OF POLICY PERMIT**
16 **VERIZON TO DELIVER ITS CUSTOMERS' ORIGINATED TRAFFIC TO**
17 **GNAPS AT A GNAPS PROVIDED COLLOCATION ARRANGEMENT?**

18 A. It is a matter of fairness. Verizon is asking this Department to recognize that GNAPs is the
19 only party who is in the position to offer this service to Verizon. As I outlined earlier, the
20 Department has decided as a matter of policy that each local exchange carrier is responsible
21 to transport its own traffic or to pay the costs of transporting its originating traffic all the
22 way to the terminating end user.³⁸ The Department has also stated that carriers may choose

³⁸*D.T.E. 98-57 Tariff No. 17 Order*

1 the most efficient method to accomplish this task.³⁹ Thus, if Verizon is responsible for
2 transporting its originating traffic all the way to GNAPs' end users and it is permitted to
3 choose the most efficient method to accomplish that task, it must be permitted to
4 interconnect with GNAPs for purposes of delivering its own traffic at a GNAPs provided
5 collocation arrangement. Otherwise, GNAPs could force Verizon to haul local traffic over
6 long distances and charge Verizon distance-sensitive rates for the privilege. This is an
7 invitation for abuse. Thus, it is only equitable that GNAPs offer Verizon interconnection
8 choices comparable to those Verizon offers to GNAPs. These would include purchasing
9 transport at reasonable rates and building its own facilities and collocating at GNAPs'
10 premises. For these reasons and considering that GNAPs has already agreed to provide
11 collocation to Verizon in the Collocation Attachment, the Department should reject GNAPs'
12 proposed language for § 2.1.5.1 of the Interconnection Attachment.
13

³⁹*Id.*

1 **Q. HAVE OTHER STATES ADDRESSED SIMILAR CHANGES MADE BY**
2 **GNAPS?**

3 A. Yes. The New York Commission ruled in Verizon's favor on this issue, stating as
4 follows:

5 While Verizon should not be able to use this issue to avoid allowing
6 GNAPs the single point of interconnection, consistent with that requirement
7 it appears reasonable to require GNAPs to allow collocation, subject to the
8 established restrictions as to technical feasibility and space. To that extent,
9 Verizon's position is adopted.⁴⁰

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11 . The Ohio Commission also adopted Verizon's proposals in the *Ohio Verizon/GNAPs*
12 *Arbitration Award*.⁴¹

13
14 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

15 A. Yes.

⁴⁰*New York Verizon/GNAPs Arbitration Order* at 20. For the reasons I stated previously with regard to Issues 1 and 2, Verizon and GNAPs do not disagree that GNAPs is entitled to establish only one POI per LATA (the entire state).

⁴¹*Ohio Arbitration Award* at 11.